

Foothill Transit

Executive Board February 5, 2010 Strategic Planning Workshop

Minutes

A special meeting of the Foothill Transit Executive Board was held on Friday, February 5, 2010 at the Kellogg House, Cal Poly Pomona.

Call to Order

Chair De La Torre called the meeting to order at 8:09 a.m. The following members were present, constituting a quorum of the Executive Board:

Michael De La Torre, Chair
Roger Chandler, Vice Chair
Carol Herrera
Paula Lantz
Doug Tessitor

Public Comment

There was none.

Strategic Planning Workshop – Fiscal Year 2011 Budget

Mr. Stark, representing Peter Barron Stark & Associates, Inc.:

- Greeted the attendees and provided opening statements covering the overall emphasis of the workshop.
- Distributed and reviewed the workshop workbook ([copy on file](#)), and requested attendees to list five top issues/concerns that they want to resolve before the end of the workshop.
- Provided the Foothill Transit interview results conducted by his firm regarding areas of concern/improvements needed.

Executive Board Members and Staff members discussed their expectations for the workshop, and expressed their thoughts on what it would take to meet those expectations.

Doran Barnes, Executive Director, and Richard Hasenohrl, Director of Finance, reported that projections indicate that with available revenues in Fiscal Year 2011, maintaining current service levels will result in a deficit of \$12.5 million. A discussion followed regarding options to develop the budget; once finalized it will be presented for the Governing Board's approval at their meeting on May 2010. Funding for future operating and capital purposes include reserves of \$17 million, with an

additional \$8 million incurred from the Federal Excise Tax Credit. Monies in reserve from prior years in government grants such as ARRA could be applied to addressing the deficit.

Budget projections for Fiscal Year 09-10 and 10-11 were discussed. Fiscal Year 2011 Operating Revenue Preview and Schedule 1 were distributed to the Board ([copies on file](#)).

The following three options to reduce the deficit were presented:

- Reducing non-service related expenses
- Reducing service
- Utilizing funding available for future operating and capital purposes

Increasing fares would produce limited revenue and add a financial burden to Foothill Transit customers. Further, fare increases can have a negative impact on the amount of subsidy funding that Foothill Transit receives. The Board concurred that increasing fares was not an option.

The following three options to balance the budget were presented:

Option A

Reduce Non-Service Related Expenses	\$2,360,000
Reduce Service	\$5,140,000
Utilize funds for future operating and capital expenses	\$5,500,000
Option A Total	\$12,500,000

This Option assumes that \$5.0 million in funds reserved for future operating and capital purposes would be accessed to address the deficit.

Option B

Reduce Non-Service Related Expenses	\$2,360,000
Reduce Service	\$7,640,000
Utilize funds for future operating and capital expenses	\$2,500,000
Option B Total	\$12,500,000

This option assumes that \$2.5 million in funds reserved for future operating and capital purposes would be accessed to address the deficit.

Option C

Reduce Non-Service Related Expenses	\$2,360,000
Reduce Service	\$10,140,000
Utilize funds for future operating and capital expenses	\$0
Option C Total	\$12,500,000

This option assumes that no funds reserved for future operating and capital purposes would be accessed to address the deficit.

The Executive Board voted on the following non-service related cost reductions as

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indicated in FY 2011 Budget Balancing Options and Attachment A ([copy on file](#)):

- Planning Dept. – The elimination of bus book/system maps, and the elimination of Community Connections programs.
- Planning Dept. – Under “Travel and Meeting”, revise “*no participation*” to read “*limit participation*”.

Motion: Member Tessitor, seconded by Vice Chair Chandler

Vote: Unanimously carried

- Transit Stores – The closing of the El Monte Transit Store, would save Foothill Transit \$330,000 a year.

Motion: Vice Chair Chandler, seconded by Member Tessitor

Vote: Unanimously carried

- Safety Dept. - Elimination of vacant full-time security officer position, reduction in uniform expenditures, reduction in Tactics/First Aid training for Safety and Security Officers, etc.

Motion: Vice Chair Chandler, seconded by Member Herrera

Vote: Unanimously carried

- Administration Dept. – Elimination of the Internship Program, the contractor incentive payment for FY 2011, the Operations Workshop, and limits to Board member participation at the APTA Annual Conference, etc.
- The Board *rejected* the recommendation to eliminate both Federal and State Advocacy Services; Foothill Transit relies on the valuable assistance advocacy provides to support public transportation. Item will be further discussed in closed session.

Motion: Member Tessitor, seconded by Vice Chair Chandler

Vote: Unanimously carried

The Workshop recessed at 10:15 a.m.

The Workshop was reconvened at 10:22 a.m.

- IT Dept. – Reduced application software support, and eliminate installation payments on anti-spam filters and company photocopier (purchase them outright); etc.
- Operations Dept. – Audits of revenue vehicles, coach operators, and facilities will

be reduced in half; Elimination of RTA/Zonar technical support, AVL/APC consulting, electric bus training, and the Annual Bus Roadeo; Reduction in expenditure on tools and clothing supplies.

- Marketing Dept. - Elimination of budget for Advertising General Marketing; no follow-up survey to the 2008 Customer Satisfaction survey; Reduction in membership to chambers and industry organizations, and attendance to CTA and APTA meetings; reduction in advertising budget, promotional items displaying company logo; and other programs.
- Facilities Dept. – Reduction of bus stop cleaning and maintenance; elimination of plant maintenance.
- Finance Dept. – Reduce travel budget, eliminates participation in APTA fare collection workshop (budgeted for two staff).

Motion: Member Tessitor, seconded by Vice Chair Chandler

Vote: Unanimously carried

The cost reductions voted on by the Executive Board total \$2,367,643 in non-service related expenses. Further non-service related cost reductions could be implemented, but are not proposed at this time.

The Executive Board received and filed the overview presentation and provided appropriate direction to staff.

Motion: Member Herrera, seconded by Member Tessitor

Vote: Unanimously carried

Strategic Planning Workshop – Other Business

FY 2011 Budget Balancing Service Reduction Options

Doran Barnes, Executive Director, presented the Executive Board with three FY 2011 budget balancing options. These service reductions were evaluated based on average weekday boardings, and boardings per service hour, along with an effort to maintain connectivity and coverage. FY 2011 Budget Balancing Service Reduction Options document was distributed ([copy on file](#)).

- Option A provides a budget savings of \$5,145,018, and reduces bus service.
- Option B provides a budget savings of \$7,966,556, and the elimination of a few bus lines.
- Option C provides a budget savings of \$10,260,228, and the discontinuation of more bus lines.

The Executive Board opted to advance Option C to the full governing board for public

hearings. LaShawn King Gillespie, Director of Planning, reviewed the proposed changes as designated in Option C ([copy on file](#)). Many changes impact routes directed through main streets rather than on those in residential streets; incurring a savings in time and money for the bus lines.

The Workshop recessed for lunch at 12:12 p.m.
The Workshop was reconvened at 12:52 p.m.

Following discussion, the Executive Board agreed to recommend Public Hearings to the Governing Board to implement the proposed service refinements.

The Executive Board offered suggestions and directed staff to develop the proposals for their review on various issues raised and will present details at the March 2, 2010, Governing Board meeting.

West Covina Park & Ride

Chair Michael De La Torre reported that at their February meeting the West Covina Planning Commission voted 3-1 against the construction of a Park & Ride structure proposed for Walnut Creek Parkway.

This action is critical and could negatively impact Foothill because there is \$11.5 million in federal grant funds at risk; if the grant is not spent within a specified time period, the grant may be lost.

The Executive Board authorized the Executive Director to:

1. End pursuing the development of a park and ride in the City of West Covina;
2. Investigate options for reconstruction of the Park & Ride in the cities of Diamond Bar, Covina, or Irwindale; and
3. Take and necessary actions required to protect Foothill Transit's reserve of \$11.5 million in federal grant funds.

Motion: Vice Chair Chandler, Chair De La Torre
Vote: Unanimously carried

Line 855 Reroute

The Executive Board authorized implementation of the FY 2010 service changes at the December 18, 2009 Executive Board meeting. One of the approved changes was to reroute Line 855 removing service from Radcliff Drive from a portion of Mills Avenue and Baseline Avenue. This change is in response to requests received by the City of Claremont and Foothill Transit to remove service along these residential streets. This request received unanimous support from the residents who attended the public information meetings for the FY 2010 Service Changes.

The revised service will limit the number of trips along Radcliff Drive while providing service to students and other residents who utilize the line. City staff is working with residents and school districts on the impact of the proposed changes to the route.

The Executive Board authorized the Executive Director to implement a service change to Line 855 to provide service along Mills and Baseline Avenues utilizing Radcliff Drive in the City of Claremont.

Motion: Vice Chair Chandler, seconded by Member Tessitor
Vote: Unanimously carried

Closed Session: Public Employee Performance Evaluation

The Executive Board recessed at 2:11 p.m. to Closed Session.
The Executive Board reconvened at 2:57 p.m. from Closed Session.

Darold Pieper advised that no reportable action was taken.

Adjournment

There being no further business, the meeting was adjourned at 2:58 p.m.

Staff Members and guests present:

Doran Barnes, Executive Director
Kevin McDonald, Deputy Executive Director
Darold Pieper, General Counsel
Jaime Becerra, Director of Safety and Security
LaShawn Gillespie, Director of Procurement
Richard Hasenohrl, Director of Finance
George Karbowski, Director of Operations and Maintenance
David Reyno, Director of Government Relations
Linda Somilleda, Director of Marketing and Communications
Peter Stark, Workshop Facilitator, Peter Barron Stark & Associates, Inc.
Christina Lopez, Administrative Services Manager
Martha Arana, Commission Services